

**AGENDA****FRANKLIN CITY COUNCIL****MONDAY, September 25, 2017 – CITY HALL COUNCIL CHAMBERS – 207 W. SECOND AVE.****7:00 P.M.****Regular Meeting**

Call To Order . . . . . MAYOR FRANK M. RABIL

PLEASE TURN OFF CELL PHONES . . . . . MAYOR FRANK M. RABIL

**PLEDGE OF ALLEGIANCE****Special Recognition: Welcome – Introduction of New Hires – Community Development****CITIZENS' TIME****AMENDMENTS TO AGENDA**

1. **CONSENT AGENDA**
  - A. Minutes: September 11, 2017 Regular Meeting
  - B. Departmental Reports: August, 2017 (Separate File)
2. **FINANCE**
  - A. Budget Amendments
    1. Financial Report: August, 2017
    2. FY 2017 – 2018 City Budget Amendments # 2018 – 03 & # 2018 – 04 (Resolution #2017 – 08)
3. **OLD/NEW BUSINESS**
  - A. Community Development Update – Donald Goodwin, Director of Community Development
  - B. City Manager's Report
    1. Southampton Memorial Hospital Clinic Services Request
4. **COUNCIL/STAFF REPORTS ON BOARDS/COMMISSIONS**
5. **CLOSED SESSION** – I move that the Franklin City Council meet in Closed Session to discuss and consider appointments to boards and commissions pursuant to Virginia Code Section 2.2 – 3711 (A) (1).  
**Motion Upon Returning to Open Session-** I move that the only matters discussed during the closed session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened.
6. **ADJOURNMENT**

**UPCOMING ITEMS TO BE SCHEDULED**

The items below are intended to be reflective, and not inclusive of all subjects staff is working on to bring forward to City Council in the next two months. Both the time lines and subject matter are subject to change and should not be considered final.

**SUBJECT****Courthouse Referendum Public Meeting****Columbia Natural Gas Franchise****Charter Cable Franchise****TENTATIVE TIME LINE****October 17, 2017 @ 6:00 P.M.****@ PDCCC Workforce Development  
Center****TBD****TBD**

---

**CONSENT AGENDA**

**A. Minutes: September 11, 2017 Regular Meeting**

**B. Departmental Reports: August, 2017 (Separate File)**

The Franklin City Council held its regular meeting on Monday, September 11, 2017 at 7:00 p.m. in the Council Chambers at City Hall.

**Council Members in Attendance:** Mayor Frank Rabil, Barry Cheatham, Vice-Mayor; Bobby Cutchins, Mary Hilliard, Greg McLemore and Benny Burgess.

**Staff in Attendance:** Randy Martin, City Manager; Taylor Williams, City Attorney; Mark Bly, Director of Power and Light; Anne White, Director of Social Services; Russ Pace, Director of Public Works; Dinah Babb; Treasurer; Brenda Rickman, Commissioner of the Revenue and Chief Phil Hardison, Franklin Police Department.

**Others in Attendance:** Officer Marissa Foster, Franklin Police Department; Dan Howe, Executive Director, Downtown Franklin Association; and Teresa Rose-McQuay; Administrative Assistant and Acting Secretary, Recording Minutes.

### PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by everyone in attendance.

### Special Recognition: Introduction of Ms. Anne White – Director of Social Services

Mayor Rabil recognized Manager Martin to introduce the new Director of Social Services, Ms. Anne White. Manager Martin stated that Ms. White graduated from East Carolina University with a BA in English in 1982. Ms. White retired from the Northampton County Department of Social Services in Jackson, NC after thirty-three (33) years of service. Ms. White has two daughters that live in Cary, NC.

Ms. White thanked Manager Martin and the members of Council for allowing her to speak. She made a few remarks and stated that she appreciated the opportunity to serve the citizens of Franklin in this position. Ms. White commented that she likes the area of Franklin. Ms. White stated that she is learning a lot and looks forward to working with the citizens of the City of Franklin.

### CITIZENS' TIME

Executive Director of the Downtown Franklin Association, Dan Howe addressed Council on the events that have recently occurred and are forthcoming in the Downtown area. Mr. Howe reported on the finale of the Cruise In that was held on Saturday, September 9<sup>th</sup>. He stated that it was well attended and well organized.

Mr. Howe reminded everyone of the ribbon cutting ceremony to be held on Wednesday, September 20, 2017 from 5:00 p.m. – 7:00 p.m. The ribbon cutting – open house extravaganza is listed below:

Name	Address	Time
TaylorMade Fitness	101 A E. Jackson St.	5:00 p.m. – 5:30 p.m.
Main Event	110 N. Main St.	5:45 p.m. – 6:15 p.m.
Franklin's Seafood & Steakhouse	102 N. Main St.	6:30 p.m. – 7:00 p.m.

Mr. Howe stated that light refreshments would be provided and RSVP's should be given to Ms. Ashley Cotton of the Franklin Southampton Economic Development Center at (757) 562 – 1958. Lastly, the Downtown Franklin Fall Festival will be held on October 6<sup>th</sup> and 7<sup>th</sup>.

### **AMENDMENTS TO AGENDA**

Councilman McLemore asked for the agenda to be amended to add discussion on the Governor's request for removal of confederate statues and monuments by localities. Councilman McLemore also asked to amend the agenda to discuss a rotation of Council members on the Shared Services Committee. The items were voted on separately.

Councilman McLemore made a motion to amend the agenda to add the Governor's request for removal of confederate statues and monuments. The motion was seconded by Councilman Johnson.

The motion failed to pass with the vote as follows:

Councilman Johnson, ABSTAIN; Councilman Cutchins, ABSTAIN; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, NAY; Councilman McLemore, AYE; Councilman Burgess, NAY and Mayor Rabil; ABSTAIN.

Councilman McLemore made a motion to amend the agenda to discuss a rotation of Council Members on the Shared Services Committee. Councilman Johnson seconded the motion.

The motion was approved as follows:

Councilman Johnson, ABSTAIN; Councilman Cutchins, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, NAY; Councilman McLemore, AYE; Councilman Burgess, AYE; and Mayor Rabil, AYE.

The Shared Services discussion was added to the Old/New business section as item B and the City Manager's report became item C.

Mayor Rabil asked if there were any other amendments to the agenda.

Councilman Burgess made a motion to amend the agenda to add to the closed session motion the provision for the City Attorney to provide legal consultation to City Council pursuant to Va. Code Section 2.2-3711 (A)(8). Vice-Mayor Cheatham seconded the motion.

The motion was approved with the vote to amend the agenda as follows:

Councilman Johnson, ABSTAIN; Councilman Cutchins, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, AYE; Councilman Burgess, AYE; and Mayor Rabil, AYE.

Mayor Rabil asked if there were any other amendments to the agenda. Hearing none, the meeting continued.

**CONSENT AGENDA****Minutes: August 28, 2017 Regular Meeting**

Mayor Rabil asked if there were any corrections to the minutes of the August 28, 2017 Regular meeting. Hearing none, he asked for a motion. Councilman Johnson made the motion to approve the August 28, 2017 Regular meeting minutes as presented and Councilman Burgess seconded it.

The motion was approved by a 7 – 0 vote.

**Finance****FY 2017 – 2018 City and School Division Amendment # 2018 – 02**

Manager Martin presented the FY 2017 – 2018 City and School Division Budget Amendment # 2018 -02. This amendment is a request to appropriate funds for the following items:

Name of Source	Amount	Purpose
Reinvent Hampton Roads	\$5,000	Industry Cluster Scale-up Project
Airport Improvements Fund Total	\$1,814,000	Grant for Partial Parallel Taxiway Ext.
FCPS	\$1,222	Pass thru for Title VIB Special Ed. Funds

Councilman Burgess made the motion to approve the amendment # 2018 – 02 as presented and Councilman Burgess seconded it.

Councilman McLemore restated his comments from earlier meetings that he is hesitant to approve any improvements for the Airport based on his opinion that it is not utilized enough to merit the spending of tax payer dollars although a majority of the funds are coming from Federal and State grants.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, NAY; Councilman Burgess, AYE; and Mayor Rabil, AYE.

**OLD/NEW BUSINESS****Courthouse Writ of Election Voter Education Presentation**

Mayor Rabil recognized Manager Martin to introduce County Administrator Mike Johnson who reviewed a Courthouse Writ of Election Voter Education presentation. Manager Martin made a few remarks about the courthouse writ of election voter education meetings that are being held. He stated that the next public meeting for the City of Franklin and nearby areas of Southampton County would be Tuesday, October 17, 2017 at the Paul D. Camp Community College Workforce Development Center at 100 North College Drive, Franklin, VA 23851 beginning at 6:00 p.m. in the Technology Theater. Manager Martin noted the Voter Information Brochure was included in the agenda package. Manager Martin released the meeting to Administrator Johnson for his presentation.

County Administrator Johnson introduced Mr. Tony Bell, Architect with Moseley Architects who prepared designs and cost estimates for the Courthouse project.. Administrator Johnson began his presentation by talking about the question that would be on the ballot on November 7, 2017. The question will read: “Shall the courthouse be removed to 30100 Camp Parkway, Courtland, Virginia, and shall the Board of Supervisors be permitted to spend \$26,500,000.00 therefor?” This is the precise language required by the statute.

Administrator Johnson explained that the City of Franklin shares the cost of operating and maintaining the Courthouse, and the cost of operations for 3 constitutional officers which are: Sherriff, Commonwealth Attorney and Clerk. The City’s share currently equates to 30% of the cost.

By statute in Virginia, counties are required to provide courthouses that are:

1. Secure and safe;
2. In good repair; with
3. Suitable space.

The question of who decides if the facilities meet those requirements ultimately is the Court. Over the past 15 years, this process has been initiated in a number of communities, including Williamsburg/James City County, Rockbridge County, Dickenson County, Charlotte County, Smyth County, Halifax County and the City of Portsmouth. In response to concerns expressed by the Southampton Circuit Court on November 3, 2015, the Board of Supervisors commissioned a Courthouse Needs Assessment which was completed in February 2016.

These are the security Shortcomings of the Existing Facility:

- Grossly undersized security screening area
- No CCTV with cameras to monitor pedestrian movements inside and outside the building
- No intrusion detection system to monitor exterior doors or 1<sup>st</sup> floor windows
- No interior or exterior access control system
- No public address system
- No emergency generator to provide for orderly shut-down in the event of power loss

These are the most problematic security shortcomings:

- No secure parking for Judges or staff
- No secure interior circulation system for Judges or staff – Judges and staff utilize the same lobbies, corridors, stairwells, and elevators as the general public

The Virginia Courthouse Facility Guidelines specify:

1. “Judges should never be provided unsecured parking in the public parking area and judges’ parking spaces should never be identified.”

2. “For security reasons, private circulation must include judicial access from secure judicial parking facilities to private elevators and offices.”
3. “A key element in courthouse security is the separation of the public, judiciary and staff, and in-custody defendants.”

These are the current state of repair deficiencies:

- Existing facility does not meet modern life safety code requirements
  - No fire protection system (sprinklers, automatic smoke detection, etc.)
  - Egress stairs and corridors in the 1960’s addition do not meet codes for emergency evacuation
- Existing facility’s critical infrastructure is aging
  - HVAC equipment is 20+ years old, near the end of its useful life and susceptible to breakdowns
  - HVAC controls struggle to constantly maintain a comfortable interior climate, resulting in chronic high humidity and the formation of mold
  - HVAC piping (2-pipe system) requires a manual conversion from heating to cooling that takes ~24 hours
  - Electrical system and boiler located in the basement and prone to periodic flooding

**Table 2 – Direct Identification Analysis sample data.**

Table II Direct Mold Analysis – November 16, 2015 Dominion Generation Outage Control Center				
Sample Number	Sample Type	Sample Location	Analytical Results	
SHCC-DL1	Direct	GDC Courtroom HVAC Supply Register	<i>Cladosporium</i> <i>Epicoccum</i>	Moderate Rare
SHCC-DL2	Direct	GDC, Private Hearing Room, CT Surface	<b><i>Stachybotrys</i></b>	<b>Very Heavy</b>
SHCC-DL3	Direct	GDC, Records Room, N Wall Surface	<i>Aspergillus</i>	Very Heavy
SHCC-DL4	Direct	GDC, Judges Office Baseboard, @ W Window	<i>Cladosporium</i>	Very Heavy
SHCC-DL5	Direct	GDC, Judges Law Books	<i>Aspergillus</i>	Very Heavy
SHCC-DL6	Direct	GDC, Court Door to Judges Bench	<i>Aspergillus</i> <i>Biopolaris/Drechslera</i> <i>Cladosporium</i>	Very Heavy Rare Heavy
SHCC-DL7	Direct	CC, Court Door to Judges Bench	<i>Aspergillus</i>	Very Heavy

Key: (Sample Number) SHCC= Southampton County Court House, DL= Direct Lift,  
(Sample Location) GDC= General District Court, CT= Ceiling Tile, CC = Circuit Court

Levels of mold detected on the direct tape lift samples collected from the surveyed sample locations indicated the presence of moderate to very heavy levels of fungal spores/structures on the materials sampled. The levels of fungal spores detected do appear to be significant and are generally not typical for the environment sampled.



Administrator Johnson shared some photographs of issues with the current structure that have been treated but have not been cured of problems caused by chronic high humidity. He also showed where possible flooding can occur as well.

#### Suitable Space and Facilities:

- Based upon current caseloads, space needs are expected to double over the next 20 years
  - Current facility = ~23,000 s.f., not including the basement
  - Future space needs = ~44,000 s.f.

In summary the architectural report concluded:

- In its current state, the Courthouse does not meet published security and safety guidelines
- In its current state, the Courthouse is not in good repair
- In its current state, the Courthouse will not meet the future space needs of the Court
- The cost of renovating and expanding the existing facility to meet the guidelines is comparable to the cost of constructing a brand new facility

That leaves two choices; 1) renovate and expand the existing building or 2) build a new facility.

The Courthouse Planning Committee was organized in May of 2016 recommended proceeding with the referendum and that any facilities be sized to accommodate the courts of Franklin and Southampton County in one building. The courthouse planning committee members are:

Hon. Carl E. Eason Jr.	Chief Judge, Southampton Circuit Court
Hon. W. Parker Council	Presiding Judge, Southampton General District Court
Hon. Robert S. Brewbaker Jr.	Chief Judge, Southampton J & DR Court
Hon. Alan W. Edwards	Southampton County Board of Supervisors
Hon. Frank M. Rabil	Mayor, City of Franklin
Hon. John B. Stutts	Sheriff
Hon. Eric A. Cooke	Commonwealth Attorney
Hon. Richard L. Francis	Clerk of Circuit Court
Hon. Danny W. Williams	Mayor, Town of Courtland, Citizen Representative
Mrs. Mariah Belcher	Clerk, Franklin City General and J & DR Combined Courts
Mrs. Belinda J. Jones	Clerk, Southampton General and J & DR Combined Courts
Mr. Wayne M. Cosby	Retired Clerk of Circuit Court, Citizen Representative
Mr. Damian P. Dwyer	Franklin/Southampton County Bar Association
Mr. R. Randy Martin	Franklin City Manager
Mr. Michael W. Johnson	Southampton County Administrator

A referendum is required for a new facility. In cases where a courthouse is shared with a city, votes of city voters are treated equally.

The architecture and engineering assistance was selected by an RFP process on June 2016. The committee received 6 proposals and interviewed 4 proponents in which Moseley Architects was selected. The pre-referendum services supplied are:

1. Confirm future space needs
2. Assistance with site(s) analysis
3. Conceptual plans & cost estimates
4. Assist with public education and outreach.

What a “yes” vote means:

- Execute option on new site
- Build new Courthouse
- Total project not to exceed \$26.5 million

A new facility will require acquisition of a new site and the Courthouse Planning Committee evaluated nine potential sites after which 30100 Camp Parkway, Courtland, VA was selected.

Administrator Johnson explained the following details with slides and illustrations of the proposed site and the conceptual site plan. The cost estimates for the project for “yes” include:

**Cost estimates for the project include:**

Site acquisition .....	\$145,000
Offsite infrastructure (water, sewer, roadwork, natural gas) ... ..	\$2,557,000
Site work (onsite).....	\$3,956,000
Wetlands Mitigation .....	\$487,000
New Courts Building .....	\$13,500,000
Architectural and Engineering Design .....	\$1,689,000
Surveys and studies (boundary, topo, geotech and archeological).....	\$55,000
Testing and inspections .....	\$200,000
Data and telecommunications.....	\$270,000
HVAC commissioning.....	\$50,000
Furnishings and fixtures.....	\$1,120,000
Moving expenses .....	\$20,000
Project contingency.....	<u>\$2,451,000</u>
	<u>\$26,500,000</u>

What “no” vote means:

- **Must meet the Courts needs on existing site**
- Judges have complete control in deciding whether a project meets their needs
- “Reduced Scope” project of \$7.5 million has already been rejected
- Full renovation/addition of \$26.3 million deemed acceptable

To renovate and expand the current facility:

- Based upon physical condition, code issues, construction type and/or configuration:
  - Mechanical/Electrical systems must be upgraded
  - Clerk’s Office and Records room must be demolished to allow room for secure parking
  - 1960’s Administrative wing should be demolished due to height issues and configuration

- Existing Courtrooms need to be renovated and remodeled to achieve proper circulation
- Parking lot will be reduced in size to facilitate building expansion
- The colonnade would be removed
- Additional property will be developed for offsite parking – patrons will have to walk 500’ to 1,200’ from parking lots to the front door
- Requires temporary office accommodations for Commonwealth’s Attorney and Clerk’s Office(s)
- Cost and logistics burdens in transporting witnesses, jurors and in-custody defendants
- Requires development of substantial satellite parking
- Must remove or work around asbestos-containing building materials (ACBM’s)
- Greater unknowns with renovations require greater contingencies

The cost estimates for this alternative “no” vote are:

**Cost estimates for this alternative include:**

Offsite temporary facilities for Circuit Court Clerk’s and Commonwealth Attorney’s offices .....	\$1,360,000
Onsite temporary facilities to facilitate phased construction .....	\$500,000
Site work (onsite).....	\$2,567,000
Floodwall (onsite).....	\$250,000
Site Work (offsite parking).....	\$475,000
Old building demolition/new addition construction .....	\$12,453,000
Renovation of remaining portions of old Courthouse.....	\$2,904,000
Architectural and Engineering Design .....	\$1,583,000
Surveys and studies (boundary, topo, geotech) .....	\$60,000
Testing and inspections .....	\$187,000
Data and telecommunications.....	\$308,000
HVAC commissioning.....	\$50,000
Furnishings and fixtures.....	\$1,140,000
Project contingency.....	<u>\$2,390,000</u>
	<u>\$26,227,000</u>

These are the project phases:

- Planning: 2/2016 – 7/2017
- Voter Education: 7/2017 – 11/2017
- Design: 12/2017 – 10/2018
- Bidding: 10/2018 – 12/2018
- Construction: 2/2019 – 5/2020
- Occupancy: 6/2020

Administrator Johnson and Architect Bell answered questions and listened to comments from all the Council members. Administrator Johnson thanked everyone for listening to the presentation. Mayor Rabil thanked Administrator Johnson and Mr. Bell for being so detailed with the information.

### **Shared Services Committee Discussion**

The discussion was based on the concept advocated by Council McLemore. Councilman McLemore requested that a rotation of council members occur so that every council member has the opportunity to sit on this committee.

Mayor Rabil added for clarity that there is no action taken with the Shared Services committee unless proper order is followed by the item being brought before both the Franklin City Council and the Southampton County Board of Administrators to be discussed, a proper motion with a first and a second and voted on by all the elected officials.

After discussion, Mayor Rabil suggested that the matter be included in the agenda for the Council retreat on Saturday, September 16, 2017 at the Franklin Municipal Airport in the conference room.

### **City Manager's Report**

Mayor Rabil recognized Manager Martin to present his report.

### **Verizon Wireless Service Update**

Manager Martin reported that he and Mayor Rabil met with Verizon Wireless representatives on Friday, September 1<sup>st</sup> to discuss concerns with service levels in and around Franklin. The meeting resulted from the Mayor's previous contacts with Verizon officials about the overall dissatisfaction with the level of service in the community. Verizon officials responded with a thorough review of the challenges and rapidly changing landscape in the wireless environment that was helpful in enhancing our degree of understanding in this complicated technology, but most importantly, they shared an update on the company's plans and efforts to address the many customer concerns expressed. They acknowledged that changes have adversely impacted services particularly the increased load on their system. They also discussed future plans to update their service; minimize problems within the City of Franklin and surrounding areas and improve their customer service.

Manager Martin concluded his report by stating the meeting was productive and informing citizens that if you are experiencing problems with Verizon cell service please contact Verizon Customer Service so they log the issue and correct it. Any other citizen having problems with another provider should do likewise with their provider's customer service.

Mayor Rabil encouraged people that if customers are having problems with their cell services; please utilize the provider's complaint process to let them know so they are aware of the issues.

Councilman Burgess commented that the services provided by Charter Cable (Spectrum) have deteriorated greatly over the past six months as well.

Manager Martin stated that the city has been in communications with their representatives as well regarding concerns and their desire to renew their franchise. The City is currently having an issue posting agendas and other information to the website. Spectrum needs to update our account and IT has contacted them and the issue has not been resolved.

Councilman McLemore asked Manager Martin about the source of information on Verizon being the largest wireless provider in the area and commented on the agenda not being posted on the website.

Manager Martin stated that according to comparison data, Verizon is by far the leading provider. Manager Martin apologized for the agenda not being posted and advised he was expecting it to be addressed soon.

### **COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS**

Councilman Johnson reported that he accompanied Congressman Bobby Scott and Attorney General Mark Herring to services at Piney Grove Baptist Church and First Baptist Church. Attorney General Herring spoke at both services. Councilman Johnson reported that Congressman Scott had a Labor Day picnic where both elected officials and citizens were invited to attend. Councilman Johnson stated that the event was well attended.

Councilman McLemore reported on a back to school event organized by Mr. Corey Olds held at the College Drive Park. There were a number of children on hand that received school supplies. It was a very well organized event that was well attended and helped a lot of citizens in the community.

Councilman McLemore also reported on a group of young men inspired by Mr. Olds who went out to all the schools dressed in suits and ties to welcome and motivate the children for the 2017 – 2018 school year.

Councilman Johnson also reported that he attended the event on the first day of school and added that he and members of the school board were also in attendance to welcome the students back to school on the first day. He also reported on the 10<sup>th</sup> anniversary celebration of Insercorp. Mr. Tim Bradshaw had organized an event that took place at Barrett's Landing. It was a nice event and well attended.

Councilman Burgess commented on the Cruise In events and thanked Mike and Ray Smith for all their hard work and their investment in the downtown area.

Mayor Rabil reported on the Hero Project sponsored by Lowe's. They installed a reading garden at S.P. Morton Elementary School for the children. He thanked all the volunteers that helped with the project and stated that the dedication was well attended.

Councilman McLemore recognized Mr. Bailey of Franklin Steak and Seafood for serving breakfast for the young men who went out to the schools. He shared that they are located in the former site of the Parker Drug space and invited the community to patronize their restaurant.

Mayor Rabil again reminded everyone of the ribbon cutting ceremony on Wednesday, September 20, 2017 starting at 5:00 p.m. for the new Start-Up businesses downtown.

**Closed Session**

Councilman Burgess made the motion that the Franklin City Council meet in Closed Session to discuss and consider appointments to boards and commissions, and for the City Attorney to provide legal consultation to the City Council regarding the explanation of the courthouse referendum election and advocating passage or defeat of the referendum question as permitted by Virginia Code Section 2.2 – 3711 (A) (1) & (8) and Vice-Mayor Cheatham seconded the motion.

The motion was approved by a vote of 7 – 0.

**The Council entered into closed session at 8:56 p.m.**

Mayor Rabil reconvened the open session at 9:24 p.m. and asked for a motion certifying the closed session.

Vice-Mayor Cheatham made a motion certifying that the only matters discussed during the closed session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened. The motion was seconded by Councilman Burgess.

The motion was approved by a 7 – 0 vote.

**Action #1**

Councilwoman Hilliard made a motion to re-appoint Chief Phil Hardison to the Airport Advisory Board for a term of 4 years. Councilman Cutchins seconded the motion.

The motion was approved by a 7 – 0 vote.

**Adjournment**

Councilman Burgess made the motion to adjourn the meeting and Councilman Johnson seconded it.

The motion was approved by a 7 – 0 vote.

**Mayor Rabil declared the meeting adjourned at 9:25 p.m.**

**These Minutes for the September 11, 2017 City Council Regular Meeting were adopted on the 25<sup>th</sup> day of September, 2017.**

---

Mayor

---

Clerk to City Council

**FINANCE**

**B. Budget Amendments**

- 1. Financial Report: August, 2017**
- 2. FY 2017 – 2018 City Budget Amendments # 2018 – 03 & # 2018 – 04  
(Resolution #2017 – 08)**



HIGHLIGHTS – GENERAL FUND  
Ending August 31, 2017

Based on Unaudited Financial Data



# Basis of Reporting

- The information enclosed in the City's Financial Report for the period ending August 31, 2017.
- The report contains provisions for most revenue and expenditure accruals.
  - Reflects 2 months of revenue & expenditures in most cases (where noted, the 2nd month has been estimated) – modified accrual basis of accounting.
- Financial Report presentation is consistent with department's objectives to:
  - Report timely, relevant, understandable and accurate financial data
  - Promote accountability through monitoring, assessment and reporting.

# Revenue Highlights – Tax Collections

❑ Overall General Property Tax collections of \$153,744 is up from FY 17 collections of \$114,505. There are five major sources included in General Property Taxes:

- ❑ Real Estate taxes (Current & Delinquent)
- ❑ Personal Property (Current & Delinquent)
- ❑ Penalty and Interest on Taxes
- ❑ Public Service Corporation taxes
- ❑ Machinery & Tools Taxes

# Revenue Highlights – Tax Collections

- ❑ Current Real Estate & Personal Property taxes – no revenue has been collected on the current year assessment.
- ❑ Delinquent RE taxes at \$121,672 is 55.3% of the budget and 43.3% higher than prior period collections of \$84,906.
- ❑ Delinquent Personal Property taxes at \$10,140 is 22.5% of budget and 15.17% lower than prior period collections of \$11,953.
- ❑ Penalties and Interest at \$21,932 is 16.9% of budget and 25.76% higher than prior year period collections of \$17,439.
- ❑ Public Service Corporation taxes - no revenue has been collected during the current period.

# General Property Taxes- Overall BUDGET COMPARISON-Modified Accrual

REVENUE SOURCE	BUDGET	Current Year	%	BUDGET	Prior Year	%
Real Estate Taxes-Current	\$ 5,421,074	\$ -	0.0%	\$ 5,447,115	\$ -	0.0%
Real Estate Taxes-Delinquent	220,000	121,672	55.3%	240,000	84,906	35.4%
Personal Property Taxes-Current	1,551,897	-	0.0%	1,500,000	-	0.0%
Personal Property Taxes-Delinquent	45,000	10,140	22.5%	45,000	11,953	26.6%
Machinery & Tools	21,050	0	0.0%	23,578	207	0.9%
Penalties & Interest Taxes	130,000	21,932	16.9%	155,000	17,439	11.3%
Public Service Corporation Taxes	68,614	0	0.0%	68,000	0	0.0%
<b>GENERAL PROPERTY TAX</b>	<b>\$ 7,457,635</b>	<b>\$ 153,744</b>	<b>2.1%</b>	<b>\$ 7,478,693</b>	<b>\$ 114,505</b>	<b>1.5%</b>

Current	\$ 153,744
Prior Year	\$ 114,505
Net Change \$	\$ 39,239
Net Change %	34.27%

# Local Tax Revenue - (Prior Year Comparison) – Modified Accrual Basis

	Meals Taxes	Lodging Taxes	Cigarette Taxes	Sales Taxes	Total
Aug-16	258,098	20,488	52,849	315,382	646,817
Aug-17	245,496	32,202	50,654	324,810	653,162
Prior Year \$	(12,602)	11,714	(2,195)	9,428	6,345
Prior Year %	-4.88%	57.17%	-4.15%	2.99%	0.98%

At two (2) months into the fiscal year, it is projected that the Local Tax Revenue sources will exceed the targeted projections by \$70,112

# Local Tax Revenue (Budget per Actual Comparison)-(Modified Accrual Basis)

Benchmark – 16.7%

	FY 17-18 Budget	8/31/2017	% of Budget Realized
Local Sales & Use*	\$ 1,873,000	\$ 1,873,000	100.0%
Cigarette Taxes	\$ 330,000	\$ 303,924	92.1%
Meals Taxes*	\$ 1,440,000	\$ 1,472,976	102.3%
Lodging Taxes*	<u>\$ 130,000</u>	<u>\$ 193,212</u>	<u>148.6%</u>
<b>Total Local Tax Revenue</b>	<b>\$ 3,773,000</b>	<b>\$ 3,843,112</b>	<b>101.9%</b>

\*prepared on modified accrual basis - revenue sources include a one or two month projection based on prior history

At (2) months into the fiscal year, it is projected cigarette taxes will not meet targeted projections; overall net Local Tax Revenue sources will meet targeted dollar projections.

# Revenue & Expenditure Summary – Cash Basis

- General Fund **revenue** at \$1.48 mil (6.4% of budget) is net \$245,649 more when compared to the \$1.24 mil realized in the prior fiscal year. The increase is comprised primarily of:
  - Real estate taxes \$40k
  - Sale of real estate \$95k
  - Federal & state funds \$100k
- General Fund **expenditures** at the end of the period totaled \$3.29 mil and represents 14.2% of the total budget; when compared to the prior year period of \$3.4 mil, this is a \$105,465 (3.1%) decrease.

## General Fund Revenue – Prior Year Comparison – Modified Accrual Basis

Account Id	Account Description	Prior Revenue	Budget	YTD Received	% Received	Prior Year Variance
100-3-11010-	REAL ESTATE TAXES	84,906	5,641,074	121,672	2.16%	36,767
100-3-11020-	PUBLIC SERVICE CORPORATION TAXES	-	68,614	-	0.00%	-
100-3-11031-	PERSONAL PROPERTY TAXES	11,953	1,596,897	10,140	0.63%	(1,813)
100-3-11040-	MACHINERY & TOOLS TAXES	207	21,050	-	0.00%	(207)
100-3-11060-	PENALTIES AND INTEREST	17,439	130,000	21,933	16.87%	4,493
100-3-12010-	OTHER LOCAL TAXES	-	1,873,000	-	0.00%	-
100-3-12020-	UTILITY TAXES	94,578	516,000	104,246	20.20%	9,668
100-3-12030-	BUSINESS LICENSE TAXES	(407)	950,000	25,900	2.73%	26,307
100-3-12035-	BUSINESS LICENSE TAXES-PENALTY	746	1,000	241	24.08%	(505)
100-3-12050-	MOTOR VEHICLE LICENSES	2,734	172,000	1,620	0.94%	(1,114)
100-3-12055-	MOTOR VEHICLE LICENSES-PENALTY	1,067	26,000	767	2.95%	(300)
100-3-12060-	BANK STOCK TAXES	-	56,200	-	0.00%	-
100-3-12070-	TAXES ON RECORDATION AND WILLS	7,658	46,000	8,415	18.29%	757
100-3-12080-	CIGARETTE TAXES	52,848	330,000	50,654	15.35%	(2,195)
100-3-12100-	LODGING TAXES	10,244	130,000	16,101	12.39%	5,858
100-3-12110-	MEALS TAX	129,049	1,440,000	122,748	8.52%	(6,301)
100-3-12180-	PROBATE TAXES	-	3,100	1,725	55.63%	1,725
100-3-13010-	PERMITS AND OTHER LICENSES	110	3,000	113	3.75%	3
100-3-13030-	PERMITS AND OTHER LICENSES	30,951	544,604	35,960	6.60%	5,009
100-3-14010-	FINES AND FORFEITURES	2,550	37,000	4,486	12.12%	1,936
100-3-15010-	REVENUE FROM USE OF MONEY	131	600	311	51.78%	180
100-3-15020-	REVENUE FROM USE OF PROPERTY	111,940	242,896	108,785	44.79%	(3,155)
100-3-16010-	CHARGES FOR CURRENT SERVICES	642	9,500	526	5.54%	(116)
100-3-16040-	CHARGES FOR OTHER PROTECTION	80,742	428,051	69,371	16.21%	(11,371)
100-3-16060-	CHARGES FOR OTHER PROTECTIONS	-	17,150	4,879	28.45%	4,879
100-3-16070-	MISC BILLING SERVICES	6,722	-	479	-	(6,243)
100-3-16080-	CHG FOR SANITATION & WASTE REMOVAL	2,904	9,900	1,640	16.56%	(1,265)
100-3-16095-	CHARGES FOR ADMIN-FUNDS	160,811	961,720	160,287	16.67%	(525)
100-3-16130-	RECREATIONAL FEES	1,901	7,500	2,624	34.98%	722
100-3-18990-	MISCELLANEOUS	95,538	1,270,237	157,911	12.43%	62,373
100-3-19020-	RECOVERED COSTS	2,379	404,400	8,129	2.01%	5,749
100-3-22010-	NON-CATEGORICAL AID STATE	61,206	1,643,897	104,009	6.33%	42,802
100-3-23030-	SHARED EXPENSES	-	80,715	6,293	7.80%	6,293
100-3-23040-	SHARED EXPENSES	-	73,089	4,434	6.07%	4,434
100-3-23060-	SHARED EXPENSES	-	35,000	-	0.00%	-
100-3-24040-	CATEGORICAL AID - STATE	-	2,196,826	29,458	1.34%	29,458
100-3-33010-	CATEGORICAL AID -FEDERAL GOVERNMENT	-	41,595	16,595	39.90%	16,595
100-3-41050-	FUNDS TRANSFERS	267,199	2,200,441	281,950	12.81%	14,750
	General Fund Revenue Total	1,238,750	23,209,056	1,484,399		245,649



# General Fund Expenditures – Prior Year Comparison – Modified Accrual Basis

Account Description	Prior Expenditures	Budget	YTD Expended	Balance Excess/Deficit	% Expended	Prior Year Variance
**CITY COUNCIL **	51,518	158,126	43,622	114,504	27.59%	7,896
CITY MANAGER *****	30,398	217,303	29,241	188,062	13.46%	1,158
CITY ATTORNEY *****	28,862	162,248	19,670	142,578	12.12%	9,191
MANAGEMENT SERVICES & HR*****	15,654	175,847	14,113	161,734	8.03%	1,540
COMMISSIONER OF THE REVENUE *****	41,972	268,915	40,501	228,414	15.06%	1,472
REAL ESTATE ASSESSOR *****	7,173	122,405	7,959	114,446	6.50%	(785)
CITY TREASURER *****	44,320	333,344	41,888	291,456	12.57%	2,432
ACCOUNTING *****	47,636	330,163	25,486	304,677	7.72%	22,150
PURCHASING & GENERAL SERVICES****	14,269	91,968	8,503	83,465	9.25%	5,765
UTILITY COLLECTIONS & BILLING *****	35,086	267,038	27,801	239,237	10.41%	7,285
INSURANCE *****	26,403	195,232	26,464	168,768	13.56%	(61)
INFORMATION TECHNOLOGY*****	21,347	262,258	17,803	244,455	6.79%	3,544
BOARD OF ELECTIONS *****	14,649	176,400	13,227	163,173	7.50%	1,423
CIRCUIT COURT ***	-	7,662	-	7,662	0.00%	-
GENERAL DISTRICT COURT ***	6,506	18,091	5,821	12,270	32.18%	685
CLERK OF CIRCUIT COURT ***	-	57,283	-	57,283	0.00%	-
SHERIFF'S OFFICE ***	-	136,692	-	136,692	0.00%	-
DISTRICT COURT SERVICE ***	15,998	57,070	2,944	54,126	5.16%	13,054
COMMONWEALTH'S ATTORNEY ***	-	58,605	-	58,605	0.00%	-
WESTERN TIDEWATER REGIONAL JAIL**	460,990	921,980	460,992	460,989	50.00%	(2)
POLICE ***	490,960	3,203,516	449,050	2,754,466	14.02%	41,911
E - 911 *****	95,928	676,037	101,657	574,380	15.04%	(5,729)
EMERGENCY MANAGEMENT SERVICES ***	381,072	2,379,811	338,188	2,041,623	14.21%	42,884
BUILDING INSP & CODE ENFORCEMENT***	73,790	518,173	76,389	441,784	14.74%	(2,599)
ANIMAL CONTROL*****	13,851	121,604	14,550	107,054	11.97%	(699)
PUBLIC WORKS-STREET MAINTENANCE****	176,915	1,962,645	186,625	1,776,020	9.51%	(9,710)
PUBLIC WORKS-SNOW REMOVAL****	-	13,000	-	13,000	0.00%	-
PUBLIC WORKS-GARAGE****	37,703	234,602	31,608	202,994	13.47%	6,094
BUILDING MAINTENANCE-GENERAL*****	93,314	652,196	69,983	582,213	10.73%	23,332
BUILDING MAINTENANCE-ARMORY***	4,994	-	3,801	(3,801)	-	1,193
BUILDING MAINTENANCE-CITY HALL****	24,740	200,796	15,259	185,537	7.60%	9,481
BLDG MAINTENANCE-SOC SERVICES****	8,282	83,244	9,594	73,650	11.53%	(1,312)
BUILDING MAINTENANCE-HEALTH DEPT**	2,904	34,716	2,550	32,166	7.35%	354
HEALTH DEPARTMENT*****	-	110,000	-	110,000	0.00%	-
MENTAL HEALTH*****	-	36,958	-	36,958	0.00%	-
RECREATION*****	77,703	388,672	74,884	313,788	19.27%	2,819
CEMETERIES*****	6,936	42,448	6,936	35,512	16.34%	-
SENIOR CITIZENS TITLE III ***	-	6,659	-	6,659	0.00%	-
SENIOR CITIZENS NUTRITION ***	7,162	45,489	6,386	39,103	14.04%	776
LIBRARY*****	68,478	304,103	66,086	238,017	21.73%	2,393
PLANNING AND ZONING*****	28,207	259,856	31,724	228,132	12.21%	(3,518)
BEAUTIFICATION COMMISSION ****	45	5,000	1,260	3,740	25.20%	(1,215)
DOWNTOWN DEVELOPMENT *****	10,488	110,000	9,513	100,487	8.65%	975
PAYMENTS TO SOUTHAMPTON COUNTY ***	-	700,000	-	700,000	0.00%	-
NON-DEPARTMENT MISCELLANEOUS***	8,840	55,000	7,992	47,008	14.53%	848
TRANSFERS*****	929,774	7,045,901	1,009,332	6,036,569	14.33%	(79,558)
General Fund Expenditure Total	3,404,865	23,209,056	3,299,400	19,909,656		105,465



# Financial Reports

## ENTERPRISE FUNDS

For the period ending August 31, 2017

Based on Unaudited Financial Data

# Airport Fund

- **Revenue Analysis**
  - Fuel sales and airport rental fees are on target with projections.
- **Expense Analysis**
  - Expenses in the fund are on target with projections.
- **Cash Balance**
  - The cash balance in the Airport Fund is a negative \$57,123. The fund should be monitored on an ongoing basis relative to revenue, expenditures and cash position.

# Water & Sewer Fund

- **Revenue Analysis**

- Revenue from the sale of water and sewer service charges of \$558k at the end of the period on target at 16.6% of budget. Sale of water and sewer service charges are slightly below when compared to prior year.

- **Expense Analysis**

- Expenses in the fund (net of transfers) are \$243k at the end of the period and are 8.37% of budget. Expenses in the current year for the water system have exceeded the prior year while expenses associated with the sewer division and the waste water treatment division are less than the prior year.

- **Cash Balance**

- The cash balance in the Fund at the end of the month is \$1.53 mil which is \$165k down from the \$1.69 million reported last month and .54% more than the \$1.54 mil reflected in the prior year period.

# Solid Waste Fund

- **Revenue Analysis**

- Revenue for the Solid Waste Fund is slightly below target with revenue at \$216k or 16.2% and is comparable to the prior year period collections.

- **Expense Analysis**

- Expenses in the fund (net of transfers) are \$81k and are 7.4% of the budget and \$15k lower when compared to the prior period.

- **Cash Balance**

- The cash balance in the Fund is \$261.8k.

# Solid Waste Fund – Cash Balance

Cash balance - \$261,799

August	\$516,372	\$425,486
September	\$516,226	\$420,154
October	\$523,758	\$416,155
November	\$576,078	\$422,723
December	\$526,270	\$411,298
January	\$505,773	\$418,851
February	\$553,646	\$445,948
March	\$394,249	\$252,699
April	\$428,223	\$260,852
May	\$428,088	\$246,169
June	\$409,400	\$240,652
July	\$410,551	\$291,016
August	\$425,486	\$261,799

Cash in the fund is lower than the prior year period as anticipated due to the “Pay as You Go” alternative to purchase capital equipment in the prior year.

# Electric Fund – Revenue Analysis

- **Revenue** from energy sales at \$2.8 mil is slightly above target at 18.5% of budget; below is a snapshot of prior year billed service revenue, current year budget, actual and % of budget realized:

Account Description	Prior Revenue	FY17 Budget	YTD Revenue	% Realized
Sale of Electricity -Fuel Adj	57,646	1,104,300	207,649	18.8%
Sale of Electric Energy-Residential	1,539,642	7,998,896	1,458,265	18.2%
Sale of Electricity-Commercial	1,146,969	6,165,246	1,156,206	18.8%
Cycle & Save	(19,980)	(119,129)	(19,975)	16.8%

- **Expenses** associated with the sale of energy for the fiscal year (excluding fuel adjustment) is \$1.45 mil and is below target with 14.6% of the total budget expended. This will be lower than the prior year period of \$1.67 mil, about 15.9% of the budget.

# ELECTRIC FUND CASH ANALYSIS

	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018
6/30	\$ 1,320,285	\$ 365,374	\$ 643,257	\$ 882,030	\$ 842,112	\$ 343,328	\$ 807,485
7/31	\$ 1,215,100	\$ 232,177	\$ 642,085	\$ 957,000	\$ 724,794	\$ 276,984	\$ 734,555
8/31	\$ 922,039	\$ 179,939	\$ 672,538	\$ 1,095,099	\$ 774,246	\$ 453,148	\$ 1,134,111
9/30	\$ 839,265	\$ 272,263	\$ 784,569	\$ 1,220,000	\$ 942,197	\$ 729,003	
10/31	\$ 941,608	\$ 346,776	\$ 904,924	\$ 1,273,878	\$ 956,592	\$ 822,659	
11/30	\$ 893,591	\$ 359,027	\$ 876,767	\$ 1,327,621	\$ 919,275	\$ 922,617	
12/31	\$ 827,204	\$ 287,190	\$ 733,859	\$ 1,284,717	\$ 788,629	\$ 791,600	
1/31	\$ 686,342	\$ 389,986	\$ 438,344	\$ 1,004,954	\$ 322,369	\$ 554,258	
2/28	\$ 620,337	\$ 287,764	\$ 559,511	\$ 805,356	\$ 366,352	\$ 644,526	
3/31	\$ 552,907	\$ 370,727	\$ 803,846	\$ 881,641	\$ 502,204	\$ 888,414	
4/30	\$ 380,372	\$ 412,409	\$ 751,999	\$ 906,867	\$ 474,040	\$ 970,688	
5/31	\$ 412,409	\$ 672,007	\$ 908,047	\$ 968,713	\$ 448,880	\$ 990,559	
6/30	\$ 365,474	\$ 643,257	\$ 882,157	\$ 842,112	\$ 343,328	\$ 807,485	

Cash in the Electric Fund at \$1,134,111 increased by \$399,556 from the prior month period.



## BUDGET AMENDMENT # 2018 – 03

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRANKLIN, VIRGINIA that the 2017-2018 City Budget is hereby amended as follows:

		2017-2018	AMENDED	INCREASE
		BUDGET	BUDGET	(DECREASE)
<b>100</b>	<b><u>GENERAL FUND</u></b>			
	<b>REVENUE</b>			
41050-0004	Prior Year Budget Carryover	\$0	\$117,833	\$117,833
24040- 0007	Litter Control Grant Revenue	0	1,243	1,243
33010-0012	Justice Assistance Grant	0	6,120	6,120
				<b>\$125,196</b>
	<b>EXPENDITURES</b>			
12560-8117	Software Upgrade Project	\$58,743	\$152,690	\$93,947
12560-8207	Networking & Operations Costs	42,000	56,300	14,300
31100-8010	Byrne Justice Grant-Equipment	0	6,120	6,120
81300-5856	Gateway Enhancement	3,500	13,086	9,586
81300-5855	Litter Control Grant	0	1,243	1,243
				<b>\$125,196</b>
<b>204</b>	<b><u>SMART BEGINNINGS FUND</u></b>			
	<b>REVENUE</b>			
41050-0200	Prior Year Budget Carryover	\$29,248	\$26,520	<u>\$(2,728)</u>
				<b>\$(2,728)</b>
	<b>EXPENDITURES</b>			
53110-6032	Special Projects	\$12,079	\$9,351	<u>\$(2,728)</u>
				<b>\$(2,728)</b>
<b>220</b>	<b><u>FOUNDATION GRANTS FUND</u></b>			
	<b>REVENUE</b>			
41050-0100	Prior Year Budget Carryover	\$0	\$34,482	<u>\$34,482</u>
				<b>\$34,482</b>
	<b>EXPENDITURES</b>			
31100-5848	Camp Foundation Grant Police	\$0	\$3,712	\$3,712
32100-5848	Camp Foundation Grant Fire	0	13,878	13,878
32100-8117	Fire Prevention-Other Grants	0	10,105	10,105
32100-8600	Child Safety Seat-State Farm Grant	0	564	564
32100-9004	IT Upgrade – E911	0	1,966	1,966
43200-8300	Hayden Study F/R Charities	0	3,199	3,199
71300-5848	Summer Youth Day Scholarships	0	1,058	1,058
				<b>\$34,482</b>

504	<b>AIRPORT FUND</b>			
	<b>REVENUE</b>			
41050-0200	Prior Year Budget Carryover	\$0	\$27,244	<u>\$27,244</u>
				<b>\$27,244</b>
	<b>EXPENDITURES</b>			
20020-8430	Design Parallel Taxiway	0	\$27,244	<u>\$27,244</u>
				<b>\$27,244</b>

*\*To carry forward unspent appropriations for specific funds, grants and projects.*

*Certified copy of resolution adopted by  
Franklin City Council.*

---

*Clerk to the City Council*



September 20, 2017

To: Mayor & Council Members

From: R. Randy Martin, City Manager

Subject: Resolution of Intent to Reimburse/Budget Amendment #2018 - 04

When the City Council approved the 5 year Capital Improvements Program budget in June, 2017, it included the acquisition of a replacement emergency generator for the E-911 Emergency Communications Center building in FY 2017 – 2018. The funding source for this item was listed as: “Financing.” As discussed during budget work sessions, this is an essential item as it provides the backup power supply for the E-911 Center, Police Department and Courts building in the event of a prolonged power outage. The funding for this purchase, estimated at \$202,523.92, is planned to be part of the energy efficiency borrowing expected to be complete later this year. Due to the lengthy delay from the time the equipment is ordered, built and delivered (minimum 13 weeks), it is necessary that the order be placed in advance of the closing on the borrowing. This requires an appropriation as detailed in the enclosed Budget Amendment # 2018 – 04. For the City to be reimbursed for advancing the funds for the purchase prior to closing on the financing, the enclosed Resolution # 2017 – 08 must also be adopted at this time.

**Actions Recommended: Adopt Resolution # 2017 – 08 Resolution of Intent to Reimburse and City Budget Amendment # 2018 – 04**

Enclosures



**City of Franklin**  
**Resolution of Official Intent To Reimburse Expenditures with Proceeds of A Borrowing**  
**Resolution # 2017 – 08**

**WHEREAS** the City of Franklin, Virginia (the “Borrower”), intends to acquire, construct and equip the plans and projects set forth in EXHIBIT A hereto (collectively, the “Projects”); and

**WHEREAS**, plans for the Projects have advanced and the Borrower expects to advance its own funds to pay expenditures related to the Projects (the “Expenditures”) prior to incurring indebtedness and to receive reimbursement for such Expenditures from proceeds of a debt financing.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRANKLIN, VIRGINIA:**

1. The Borrower intends to incur debt (collectively, the “obligations”) in an amount sufficient to provide funding to the Borrower for the entire cost of the estimated Projects.
2. The Borrower intends that proceeds of the Obligations will be used to reimburse the Borrower for Expenditures with respect to the Projects made on or after the date hereof. The Borrower reasonably expects on the date hereof that it will reimburse the Expenditures with proceeds of the obligations or other debt.
3. Each Expenditure was or will be, unless otherwise approved by bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of Expenditure), (b) a cost of issuance with respect to the Obligations, (c) a non-recurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the Borrower so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Borrower.
4. The Borrower intends to make a reimbursement allocation, which is a written allocation by the Borrower that evidences the Borrower’s use of proceeds of the Obligations to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Projects are placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The Borrower recognizes that exceptions are available for certain “preliminary expenditures,” costs of issuance certain de minimis amounts, expenditures by “small issuers” (based on the year of issuance and not the year of expenditure) and expenditures for construction of at least five years.
5. The Borrower intends that the adoption of this resolution confirms the “official intent” within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.
6. This resolution shall take effect immediately upon its passage.

ADOPTED by the Council of the City of Franklin, Virginia, this 25<sup>th</sup> day of September, 2017.

APPROVED:

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk of the Council

City of Franklin  
EXHIBIT A

List of Project(s):

E-911 Center Emergency Generator

\$205,000

TOTAL:

\$205,000

## BUDGET AMENDMENT # 2018 – 04

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRANKLIN, VIRGINIA that the 2017-2018 City Budget is hereby amended as follows:

		2017-2018	AMENDED	INCREASE
		BUDGET	BUDGET	(DECREASE)
<b>100</b>	<b><u>GENERAL FUND</u></b>			
	<b>REVENUE</b>			
41040-0003	Proceeds from Loans	\$0	\$205,000	<u>\$205,000</u>
				<b>\$205,000</b>
	<b>EXPENDITURES</b>			
31130-8400	Capital Outlay	\$0	\$205,000	<u>\$205,000</u>
				<b>\$205,000</b>

*\*To appropriate funding for E911 generator.*

*Certified copy of resolution adopted by  
Franklin City Council.*

\_\_\_\_\_  
*Clerk to the City Council*

**OLD/NEW BUSINESS**

- A. Community Development Update – Donald Goodwin, Director of Community Development**
- B. City Manager’s Report**
  - 1. Southampton Memorial Hospital Clinic Services Request**



September 21, 2017

To: Mayor & Council Members  
From: R. Randy Martin, City Manager  
Subject: City Manager's Report – Southampton Memorial Hospital Clinic Services Request

As the enclosed email advises, Southampton Memorial Hospital is interested in hosting a part-time medical clinic at the Martin Luther King, Jr. Center. Hospital officials have had discussions with Senior Services officials and determined a healthcare need for this service. Parks & Recreation Director Frank Davis and I have had discussions with hospital officials regarding their requested part-time use of the facility and believe this proposed use will complement the Senior Services program offered at the Center and have no adverse impact on recreation services offered.

For the City to formally lease the requested small space to the hospital in a room at the center for their use on Wednesday's between 10 a.m. and 2 p.m., the City must conduct a public hearing on the proposal. If the Council concurs, staff will finalize the details of the proposed lease and advertise a public hearing on the matter at the October 23<sup>rd</sup> regular meeting.

Two of the Council priorities approved in 2015 were aimed at improving medical services in the city and surrounding areas specifically citing collaboration with the hospital to this end. With this directive in mind, city staff and management recommend: Council conduct the hearing, then authorize the leasing of the requested space. It is hoped that the hospital's experience with this service will lead them to opening a full-time physician office at the new Hayden Center when that project is completed.

Enclosures



## **Teresa L. Rose-McQuay**

---

**From:** Robert Randy Martin  
**Sent:** Thursday, September 21, 2017 6:32 PM  
**To:** Teresa L. Rose-McQuay  
**Subject:** FW: Clinic

---

**From:** Robert Randy Martin  
**Sent:** Thursday, September 21, 2017 5:43 PM  
**To:** 'Marks, Kimberly W'  
**Subject:** RE: Clinic

Thanks Kim.

I will pursue the necessary approvals to meet your desired schedule. The City appreciates your diligence in the hospital's efforts to serve and fulfill the health care needs of the Franklin/Southampton community.

I will advise if we need anything further.

Randy

---

**From:** Marks, Kimberly W [[mailto:Kim\\_Marks@chs.net](mailto:Kim_Marks@chs.net)]  
**Sent:** Thursday, September 21, 2017 4:47 PM  
**To:** Robert Randy Martin  
**Subject:** Clinic

Randy- Southampton Memorial Hospital would like to host a medical clinic onsite at the Martin Luther King Center in Franklin, VA each Wednesday's from 10:00 a.m. until 2:00 p.m. The start date for the clinic would be Wednesday, November 1. As a hospital our mission is to focus on access and convenience and we believe this population to be underserved based upon information received from Senior Services of Virginia.

We also are considering opening a full time physician office at the new Hayden project when completed. By starting this clinic this will give us an idea of the population needs and anticipated volume. It is our desire to rent a space within the current MLK center. Please let me know if you need any additional information.

Thanks again for your support.

**Kim W. Marks**  
**Chief Executive Officer**  
**Southampton Memorial Hospital**  
**757-569-6166 work; 757-569-6390 fax; 757-328-8235 cell**

---

Disclaimer: This electronic message may contain information that is Proprietary, Confidential, or legally privileged or protected. It is intended only for the use of the individual(s) and entity named in the message. If you are not an intended recipient of this message, please notify the sender immediately and delete the material from your computer. Do not deliver, distribute or copy this message and do not disclose its contents or take any action in reliance on the information it contains.

---

**COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS**